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# GSL Online

Montana's Premiere student loan publication

## Happy Easter!

April, 2006



### GRADUATE PLUS LOANS

As a result of the Higher Education Reconciliation Act (HERA), graduate or professional students will be granted access to the cost effective PLUS loan up to their cost of attendance minus other estimated financial assistance. The terms and conditions applicable to the Parent PLUS Loans also apply to the Graduate/Professional PLUS loans, including the student may not have an adverse credit history, repayment will begin on the date of the last disbursement of the loan, (students who are enrolled half time or greater will be eligible for in school deferment) and the loan will have a fixed interest rate of 8.5 percent. This program will be in effect for graduate or professional student for loans certified on or after July 1, 2006. MGSLP, along with our partner Great Lakes, is currently in the process of developing a PLUS web application for graduate and professional students much like the existing FASTPLUS for parent borrowers. This new web application will be made available to our schools in June, dependent upon release of the MPN addendum by the Department of Education.

Additionally, ScholarNet is being enhanced to allow for school certification of graduate/professional PLUS loans. Based on the HERA, schools may not certify Graduate/Professional PLUS loans before July 1, 2006. More information will be available soon.

### FOCUS ON FINANCIAL AID FOLKS



Students are what it's all about, says Kathy Johnson, a financial aid counselor at the University of Montana College of Technology in Missoula. She started out in banking and then transitioned into financial aid. Kathy recognizes the recent trend in the increasing attendance of two-year schools. Like many colleges across the nation, The College of Technology is seeing a great interest from students in the health care fields. "It's nice to form a relationship with the students. The population here varies and two year programs provide employment for these students right away and seeing them get jobs right after school makes me feel good and I know they will succeed, and the fact that I helped them along the way is nice." When she's not at school, Kathy spends time with her two children and grandchildren in Missoula.

### UPCOMING EVENTS & HOLIDAYS

- Easter-April 15
- MASFAA Conference in Great Falls-April, 18-21
- MGSLP hosts MUS Honors Dinner in Helena-May 9

Questions or comments? Contact: Lyndsay Mammen at 444-0610/lmammen@mgslp.state.mt.us

### THE DIRECTORS DEN

I recently attended the NCHelp Debt Management conference in Tennessee. Two particularly controversial subjects were presented: senior citizens borrowing significant amounts of money to pay for college and where does the responsibility to manage debt-load lie?

Without passing judgment, one presenter gave facts about our aging population. 60 is now considered middle age. Many students over the age of 60 are attending college and borrowing at staggering amounts. The speaker did an outstanding job pointing out that our standards and definitions are changing. In the early 1900's, 40 was considered "old". Today, life expectancy is greatly increased. Are we ready and able to deal with these changing demographics?

The other fascinating topic was debt-load responsibility. An example was given where an undergraduate student borrowed in excess of \$55,000 in 2 ½ years – while attending a public university with a cost of attendance of roughly \$15,000. Clearly, the student spent money like there was no tomorrow, but who was responsible for the amount of debt? The student? The school? The lender? Or maybe the student's parents? Again, no judgments here, just a fascinating topic for debate.

*Bruce Marks, Director*

### WASFAA CONFERENCE

"Preparing for a Changing Future," was the theme of the 2006 Western Association of Student Financial Aid Administrators (WASFAA) conference in Reno, Nevada. Among the conference attendees were over 50 lenders, and loan guarantors, including MGSLP, and financial aid administrators from six western states. Dallas Martin, President of The National Association of Student Financial Aid Administrators (NASFAA), gave a federal update on the College Access and Opportunity Act and the 2007 budget. When talking about the current legislation Martin said, "It doesn't make any difference how good the law is, if we don't have sufficient funding, then we are only serving a small portion of people. I believe there are the means to make college affordable, the question is, is there the will to make it happen?" At the conclusion of the conference outgoing WASFAA President Steve Herndon introduced President-Elect Tami Sato from the Southern California College of Optometry.

### GOVERNOR'S POST-SECONDARY SCHOLARSHIP

The deadline for the Governor's Postsecondary Scholarship has passed, and we are pleased to have over 400 applications to review. We appreciate your help in promoting the scholarship program and we look forward to announcing the winners in June.